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To: Potential Offerors

From: Executive Director, Iowa Telecommunications and Technology Commission

Date: February 6, 2013

Subject: Request for Proposals for the Sale or Lease of the Iowa Communications Network

The State of Iowa, acting through its semi-autonomous agency, the Iowa Telecommunications and Technology Commission (ITTC), is seeking offers for the purchase or lease of the assets and business of the Iowa Communications Network (ICN) under the terms and conditions set forth in the accompanying Request for Proposals (RFP) #13-006 dated February 6, 2013.

As detailed in the RFP, the ICN is one of the nation's premier, state owned fiber-optic networks. It is primarily dedicated to distance learning and to providing Iowans with convenient, equal access to education and government. The Network was established to make it possible for Iowans, physically separated by location, to interact in an efficient, creative, and cost-effective manner. Through partnerships with education, health care, the judicial system, government agencies, and the National Guard, the Network provides live, full-motion video to over 700 classrooms around Iowa, located in schools, National Guard armories, libraries, hospitals, and federal and state government offices, as well as providing video over IP, voice, data, WAN (Wide Area Network) connections, and high-speed Internet to authorized users.

The Iowa General Assembly approved legislation enabling the sale or lease of the ICN (2011 Iowa Acts, Chapter 122, Section 8 as amended by 2011 Iowa Acts, Chapter 127, Section 55) as supervised by the ITTC, the entity with the sole authority to supervise the management, development, and operation of the ICN.

This RFP is issued through the ICN's privatization website at www.ICNRFP.com

If you are interested in pursuing this opportunity, please note the following:

1. Proposal Submission: ICN Administrative Staff will date and timestamp upon receipt. Proposals are to be delivered on or before **4:00 PM, CST, April 30, 2013**

to:

Iowa Communications Network
Attention: Jontell Harris
400 East 14th Street, Grimes State Office Bldg.
Des Moines, IA 50319

An original and four (4) hard copies, each separately packaged and sealed, of each proposal shall be submitted, and, if practicable, one (1) electronic copy in Microsoft Word format should also

be included. Proposals submitted after this time may be summarily rejected without review. Proposals must be valid for 12 months following receipt by the ICN.

2. Proposal Format: Proposals must address each of the five mandatory requirements (see Sections IV and VIII of the RFP) and should adhere to the following format:

a. Executive Summary – provide an overall summary of the offeror’s qualifications and vision for the ICN including a general statement of compliance with the transaction terms and other requirements (see sections V through VII of the RFP).

b. Statement of concurrence with privatization objectives – an affirmative confirmation of understanding and agreement with each of the privatization Objectives outlined in Section IV, Subsection A of the RFP. Each statement must be individually addressed.

c. Offeror’s qualifications – as outlined in Section VII, Subsection A of the RFP.

d. Financial Proposal – as outlined in Section VII, Subsection B of the RFP.

e. Rate and Service Plans – as outlined in Section VII, Subsection C of the RFP.

3. Required documents

- Contact information for each individual authorized to act as the offeror’s point of contact for communications regarding the proposal.
- A completed and notarized (or equivalent verification) Disclosure Statement in the form of RFP Appendix H for each entity comprising the offeror team.
- Two (2) executed originals of the Confidentiality Agreement.
- Recent audited financial statements (last 3 years) of offeror or responsible parent, partner, guarantor, shareholder, member or affiliated entities, as the case may be.
- Description of the sources and extent of credit resources to be used to support the offer and to manage and expand the ICN.
- Description of the offeror’s qualifications with respect to FCC granted licenses under the Communications Act of 1934, as amended.
- The other information specified as required in the RFP (including mark-ups of contract drafts in hard and soft copy [Microsoft Word] form)

- We recommend that offerors limit the body of their respective proposals (Sections a-e above) to fifty (50) pages. However, proposal validity will not be affected with respect to those proposals which exceed or are below this suggested limitation.
- a. Confidential Information.** The release of information by ICN to the public is subject to Iowa Code Chapter 22 and other applicable provisions of law relating to the release of records in the possession of a state agency. Offerors are encouraged to familiarize themselves with these provisions prior to submitting a bid proposal. All information submitted by a Offeror may be treated as public information by ICN unless the Offeror properly requests that information be treated as confidential at the time of submitting the bid proposal.

Any requests for confidential treatment of information must be included in a cover letter with the Offeror's bid proposal and must enumerate the specific grounds in Iowa Code Chapter 22 or other legal reasons which support treatment of the material as confidential and must indicate why disclosure is not in the best interests of the public. The request must also include the name, address and telephone number of the person authorized by the Offeror to respond to any inquiries by ICN concerning the confidential status of the materials.

Any documents submitted which contain confidential information must be marked on the outside as containing confidential information, and each page upon which confidential information appears must be marked as containing confidential information. The confidential information must be clearly identifiable to the reader wherever it appears. All copies of the bid proposal submitted, as well as the original bid proposal, must be marked in this manner. Failure to properly mark information as confidential shall relieve the ICN from any responsibility if the information is viewed by the public, a competitor, or is in any way accidentally released.

In addition to marking the material as confidential material where it appears, the Offeror must submit one hard (printed) copy of the bid proposal from which the confidential information has been excised. This hard copy of the proposal **MUST** be clearly marked as "Excluding Confidential Materials". In addition to a hard copy, the Offeror may also include an electronic copy of the non-confidential portions of the bid proposal on CD-ROM using Microsoft Word. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the document as possible. The excised version must be submitted with the cover letter and will be made available for public inspection. This submittal is a mandatory requirement and is not subject to waiver. Failure to mark the confidential items and to provide the required one copy with confidential information excised shall be defined as allowance for the entire bid proposal to be treated as a public record.

The Offeror's failure to request in the bid proposal confidential treatment of material pursuant to this Section and the relevant laws and administrative rules will be deemed by ICN as a waiver of any right to confidentiality which the Offeror may have had.

4. Due Diligence: Information regarding the ICN sale or lease process is set out in the RFP. Additional information regarding the sale or lease of the ICN for due diligence and other purposes will be available from several sources. These include:

a. The ICN Privatization Web Site. The ICN maintains a web site in support of the privatization at www.ICNRFP.com. This web site contains an electronic version of the RFP and general information regarding the sale or lease opportunity. The web site will be the primary means that ICN will use to distribute offeror questions and answers and communicate any changes to the RFP or the privatization schedule.

b. ICN Resource Room. The primary source of access to ICN records (contracts, licenses, etc.) will be through the ICN Data Room located at the ICN offices in the Grimes State Office Building in Des Moines, Iowa. Access to the Data Room is available on an appointment-only basis. Appointments for Data Room access or tours may be made by contacting the ICN at (515) 725-1102.

c. Des Moines Offeror Conference. There will be a conference for prospective offerors. This will be the only Offeror Conference.

5. Additional Items:

a. Changes and Amendments. The ICN reserves the right to amend the RFP at any time. If the ICN amends the RFP, the ICN will post the amendment on its web site. It is suggested that all Offerors check the ICN web page periodically, for updates, amendments, etc. Offerors' bid proposals must include acknowledgment of all amendments issued by ICN. If the ICN amends the RFP after the closing date of receipt of proposals, the ICN may, in its sole discretion, allow Offerors to amend their bid proposals in response to the ICN's amendment.

b. Clarification of Bid Proposals and Obtaining Information. ICN reserves the right to contact a Offeror after submission of bid proposals for the purpose of clarifying a bid proposal to ensure mutual understanding. This contact may include written questions, interviews, site visits, a review of past performance if the Offeror has provided goods or services to the ICN, or any other political subdivision wherever located, or requests for corrective pages in the Offeror's bid proposal. This information may be used to evaluate the Offeror's bid proposal. However, the information received from the Offeror shall not be considered in the evaluation of a Offeror's bid proposal if the information materially alters the content of the bid proposal. ICN reserves the right to obtain information concerning any Offeror or any bid proposal from any source and to consider such information in evaluating the Offeror's bid proposal.

c. Cost of Bid Proposal. ICN is not responsible for any costs incurred by a Offeror which are related to the preparation or delivery of the bid proposal, or any other activities carried out by the Offeror as it relates to this RFP. The costs of preparation and delivery of the bid proposal are solely the responsibility of the Offeror.

d. Bid Proposal Obligations. The contents of the bid proposal and any clarification thereto submitted by the successful Offeror shall become part of the contractual obligation and incorporated by reference into the resulting contract.

e. Bid Proposals Property of ICN. All bid proposals become the property of the ICN and the State of Iowa and shall not be returned to the Offeror. At the conclusion of the selection process, the contents of all bid proposals will be placed in the public domain and be opened to inspection by interested parties subject to the exceptions provided in Iowa Code Chapter 22 or other applicable law.

f. Restrictions on Gifts and Activities. Iowa Code Chapter 68B contains laws which restrict gifts which may be given or received by State employees and requires certain individuals to disclose information concerning their activities with State government. Offerors are responsible for determining the applicability of this Chapter to their activities and for complying with these requirements. In addition, Iowa Code Chapter 722.1 provides that it is a felony offense to bribe a public official.

g. Restriction on Communication. From the issue date of this RFP until the ICN issues the Notice of Intent to award, Offerors may only contact the Issuing Officer with questions or other communications relating to this RFP. If a Offeror or someone acting on the Offeror's behalf attempts to discuss this RFP orally or in writing with any Commission member or any employee of the ICN other than the Issuing Officer, except as otherwise permitted by this RFP, the Offeror may be disqualified. No questions shall be asked of State of Iowa employees regarding this RFP, without prior notification and approval by the Issuing Officer, except as otherwise specifically permitted by this RFP.

h. Copyrights. By submitting a bid proposal the Offeror agrees that ICN may copy the bid proposal for purposes of facilitating the evaluation or to respond to requests for public records. The Offeror consents to such copying by submitting a proposal and warrants that such copying will not violate the rights of any third party. ICN will have the right to use ideas or adaptations of ideas which are presented in the bid proposals.

i. Release of Claims. With the submission of a bid proposal, Offeror agrees that it will not bring any claim or have any cause of action against ICN or the State of Iowa based on any misunderstanding concerning the information provided herein or concerning ICN's failure, negligent or otherwise to provide the Offeror with pertinent information as intended by this RFP.

j. Construction of RFP with Laws and Rules. This RFP is to be construed in light of pertinent legal requirements including Iowa Code Chapter 8D and Iowa Administrative Code Chapter 751. Changes in applicable laws and rules may affect the award process or the resulting Contract. Offerors are responsible for ascertaining pertinent legal requirements and restrictions. Offerors are encouraged to visit a web site containing references to the Iowa Code and the Iowa Administrative Code for information. A suggested address is <http://www.legis.state.ia.us> or <http://www.icn.state.ia.us>.

k. Downloading RFP from the Internet. All amendments and responses to Offeror questions will be posted on the ICN's website at www.ICNRFP.com. Offerors are advised to check the ICN's website periodically for amendments to this RFP, because Offerors will not automatically receive amendments.

l. Definition of Contract. The full execution of a written contract shall constitute the making of a contract for services and no Offeror shall acquire any legal or equitable rights relative to the contract services until the contract has been fully executed by the successful Offeror and the ICN.

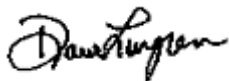
m. Criminal History and Background Investigation. The ICN reserves the right to conduct criminal history and other background investigations of the Offeror, its officers, directors, shareholders, or partners and personnel retained by the Offeror for the performance of the contract.

n. Hiring of ICN Staff. During the period from the date of issuance of this RFP until the Notice of Intent to award the contract, Offerors are prohibited from officially or unofficially making any employment offer or proposing any business arrangement whatsoever to any ICN employee, ITTC commission member, or any member of the RFP evaluation committee. A Offeror making such an offer or proposition may be disqualified from further consideration.

6. Schedule/Communications: It is the ICN's intent to conduct the sale or lease process in a manner which will lead to execution of definitive agreements with the successful offeror to be submitted to the Governor's Office for guidance no later than June 11, 2013. Offerors will be expected to cooperate promptly and fully with ICN requests for, e.g., in-person discussions with the ICN or the ICN's advisors or for information which the ICN or its advisors deem necessary to complete evaluation of offers (such as clarification of offers or offeror qualifications).

As a final note, offerors should take particular note of the "NOTICE TO RECIPIENTS" contained in the beginning of the RFP and the information, conditions and disclaimers set out therein.

Signed,

A handwritten signature in black ink, appearing to read "David L. Hagan".

Executive Director, Iowa Telecommunications and Technology Commission